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MEMORANDUM

January 18, 2019

To Our Clients and Friends

Re: District of Columbia Automatic Renewal Protections Act

The District of Columbia has enacted legislation to regulate automatic renewal provisions in consumer contracts. The new law requires a person who sells a good or service to a consumer to disclose the automatic renewal provision and cancellation procedure clearly and conspicuously in the contract and by subsequent notice upon renewal. The act will take effect after a 30-day period of Congressional review.

A notice must be provided to a consumer within 30 to 60 days before the cancellation deadline for the automatic renewal of a contract which has an initial term of at least 12 months. The notice must be provided through an easily accessible form of communication such as first-class mail, email, or another convenient method such as by text message. The law specifies the required information for the notice, including cost of the product for the term of renewal, the cancellation deadline, and how the consumer may obtain details of the automatic renewal provision and cancellation procedures.

A person offering a free trial of one month or more which automatically renews at the end of the free trial period must notify the consumer of the automatic renewal within one to seven days before the free trial period ends. The consumer must also affirmatively consent to the automatic renewal before being charged.

The law applies to automatic renewals of contracts that renew on or after the effective date. However, the law does not apply to insurers and depository institutions.

A copy of the District of Columbia legislation is available on our website at <http://schwartzandballen.com/news.html>.

For more information, please call Gilbert Schwartz, Robert Ballen, Heidi Wicker, or Victor Razon at (202) 776-0700.